

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION**

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION,	}	
	}	
Plaintiff,	}	CIVIL ACTION NO.
	}	
v.	}	C-08-316
	}	
COIL TUBING SERVICES, L.L.C.	}	
	}	ECF
	}	
Defendant .	}	
	}	
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CONSENT DECREE

THIS CONSENT DECREE is made and entered into by and between the Plaintiff United States Equal Employment Opportunity Commission ("EEOC") and Defendant Coil Tubing Services, L.L.C. This Consent Decree resolves Plaintiff EEOC's claims in the above-referenced Civil Action No. C-08-316. Plaintiff EEOC initiated its lawsuit under Title VII of the Civil Rights Act of 1964 ("Title VII"), 42 U.S.C. §2000e *et seq.*, to correct alleged unlawful employment practices on the basis of race, White, and national origin, Non-Hispanic, and to provide relief to Bert Yaklin.

The EEOC and the Defendant agree to compromise and settle the differences embodied in the Complaint, and intend that the terms and conditions of the compromise and settlement be set forth in this Consent Decree ("Consent Decree"). It is understood and agreed that this Consent Decree is in compromise of disputed claims, and that this Consent Decree shall not in

any way be construed as an admission by Defendant of a violation of any federal, state, or local statute, law or regulation, or a violation of any rights of any person.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, the sufficiency of which is hereby acknowledged, the parties agree as follows, the Court finds appropriate and therefore, it is ORDERED, ADJUDGED AND DECREED that:

1. This Consent Decree resolves all issues raised in Plaintiff EEOC's Complaint in this case. Plaintiff EEOC waives further litigation of all issues raised in the above-referenced Complaint. Plaintiff EEOC expressly reserves its right, however, to process and litigate any other charges which may now be pending, or which may in the future be filed, against Defendant.

2. Defendant agrees to comply with Title VII of the Civil Rights Act and Title I of the Civil Rights Act of 1991.

3. Defendant agrees to post the Notice appended hereto as "Attachment A" on the employee bulletin board(s) in prominent and conspicuous locations at the Alice, Texas facility within sixty (60) days after entry of this Consent Decree. Defendant will report to the EEOC that they have complied with this requirement within sixty (60) days after posting the Notice. Defendant agrees to distribute the Notice attached as "Attachment A" to each current and future employee of Coil Tubing Services, L.L.C., at the Alice Facility stating the following: "This is a supplement to the Coil Tubing Services, L.L.C.'s policy against discrimination. Coil Tubing Services, L.L.C. hereby states its commitment to providing a workplace free of discrimination of any kind. Please read the policy and keep a copy for your records." Defendant agrees to distribute this Notice to each current employee within 60 days after entry of this Consent Decree.

New employees will be given a copy of the Notice upon hire. This procedure will remain in effect during the one-year term of this Consent Decree

4. The Notice will provide the address and contact information of the San Antonio EEOC Area Office and Defendant's 1-800 telephone number. The Notice shall remain posted for the duration of this Consent Decree. In the event that the persons and/or departments to whom individuals should make complaints alleging racial harassment, race or national origin-based discrimination and/or retaliation change during the term of the Consent Decree such that the information contained in the Notice is no longer accurate, Defendant shall immediately prepare and post a revised Notice that contains the correct information. Defendant shall promptly thereafter forward a copy of the revised Notice to the EEOC.

5. Defendant agrees to conduct training at least once during the term of this Consent Decree for all of its supervisors, managers and Human Resource managers at Coil Tubing Services, L.L.C.'s Alice, Texas facilities, advising them of the requirements and prohibitions of Title VII of the Civil Rights Act of 1964. The training will inform the supervisors, managers and Human Resource personnel of the complaint procedure for individuals who believe they have experienced discrimination. The training will also advise these employees of the consequences of violating Title VII. The training will also include a specific discussion or instruction relating to the issue of racial and national origin harassment and a hostile work environment. The training shall be at least one hour in duration. Defendant agrees to give written notice to the EEOC within fourteen (14) days after each training session, providing the following information: (a) the date and location of the training; (b) the list of employees attending; (c) the name of the person providing the training; and (d) the substance of the training.

6. Defendant will continue to provide a 1-800 service for the reporting of complaints, including those relating to discrimination. Employees will be notified of the 1-800 number by the Notice attached as Attachment A.

7. Defendant agrees it shall impose discipline -- up to and including termination, suspension without pay or demotion -- upon any supervisor or manager who is found by CTS after considering reasonable evidence to have engaged in discrimination or race-based or national origin harassment or knowingly permitted any such conduct to occur in his or her work area or among employees under his or her supervision, or who retaliated against any person who complained or participated in any investigation or proceeding concerning any such conduct. Defendant shall communicate this policy to all of their supervisors and managers, including but not limited to superintendents, supervisors, foremen and crew leaders.

8. Within thirty (30) days after entry of this Consent Decree, Defendant agrees to remove from the personnel file(s) of Bert Yaklin all documents, entries and references relating to the following: the Charge itself; and the complaint filed by the EEOC in federal court based upon the Charge of Discrimination. Defendant will treat all inquiries regarding Yaklin under its neutral reference policy. Defendant shall send a report to the EEOC within fourteen (14) days after expunging the personnel file(s) pursuant to this paragraph, describing the specific items expunged from the personnel files.

9. Defendant agrees to pay to Bert Yaklin a total of \$60,000.00 less applicable taxes to resolve all claims asserted or which could have been asserted in this action. The parties agree that the Defendant will issue an IRS Form W-2 to Bert Yaklin in the amount of \$30,000.00 less applicable taxes. The Defendant will issue a 1099 to Bert Yaklin on the remainder.

10. Within twenty (20) days after the entry of this Consent Decree, Defendant will issue the check, made payable to Bert Yaklin, in the amount above, with a copy of the check sent to EEOC Senior Trial Attorney William C. Backhaus, 207 S. Houston Street, Third Floor, Dallas, Texas 75202.


11. The duration of this Decree shall be one (1) year from the date of its filing with the Court. This Court shall retain jurisdiction of this action during the period of this Decree and may enter further orders or modifications as may be appropriate.

12. All reports to the EEOC required by this Consent Decree shall be sent to William C. Backhaus, Senior Trial Attorney, EEOC, 207 S. Houston, Dallas, Texas 75202.

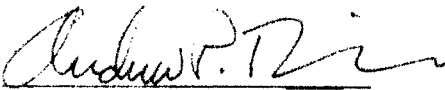
13. Each party shall bear its own costs, including attorneys' fees incurred in this action.

SO ORDERED.

Signed this 4th day of SEPTEMBER, 2009.


JANIS GRAHAM JACK
UNITED STATES DISTRICT JUDGE

COATS ROSE


BY: 

Andrew P. Burnside
TX State Bar No. 24061200

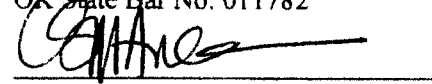
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ATTORNEYS FOR DEFENDANT

EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION

BY: 

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EEOC
207 S. Houston St.
Dallas, Texas 75202
(214) 253-2740
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ATTORNEYS FOR PLAINTIFF

NOTICE ATTACHMENT A

NOTICE TO ALL EMPLOYEES

This NOTICE will be conspicuously posted for a period of one (1) year at this facility. It must not be altered, defaced, or covered by any other material.

POLICY: The following supplements Smith International's policy against discrimination which states that discrimination of any kind can and often will detract from employees' job performance, discourage employees from remaining on the job, keep employees from advancing in their careers and lower overall employee morale and productivity. It is the policy of Coil Tubing Services, L.L.C. that discrimination based on race or national origin is unacceptable and will not be condoned.

SCOPE: This policy extends to all employees of Coil Tubing Services, L.L.C., including management, non-management, and temporary/probationary employees and to all others in our workplace.

DEFINITION: Discrimination occurs when an employment decision is made based on a person's race, sex, national origin, religion, age or disability rather than on legitimate factors. Put another way, race discrimination occurs when an employer singles out one racial or national origin group for negative or harassing conduct or comments. Discrimination is often a result of stereotypes. In some cases, those stereotypes extend to all members of a disfavored group. If race or national origin plays a role in the employment decision-making process, the employment decision is illegal discrimination. Some examples of discrimination are:

- * Treating employees of one race or national origin better than employees of another race because of race or national origin;
- * Giving members of one race a better chance at advancement than members of another race because of race or national origin;
- * Using racial slurs in the workplace, or
- * Touching or harassing employees of one race or national origin because of race or national origin;

This list is in no means exhaustive. There are other forms of discrimination based on race or national origin.

RESPONSIBILITY: Each level of management is responsible for ensuring that all personnel policies, procedure, and activities are in full compliance with applicable federal, state, and local equal employment laws, statutes, rules, and regulations regarding discrimination. All employees are expected to read, understand, and follow Coil Tubing Services, L.L.C.'s policy against discrimination.

REPORTING PROCEDURES: Any employee who believes that he or she has been subjected to discrimination is expected to report the conduct as soon as possible to either that person's immediate supervisor, any supervisor or manager with Coil Tubing Services L.L.C. or to the corporate Human Resources Department. The Human Resources Department may be contacted through Tiffany Letchworth by calling (337) 839-2004. Complaints may also be made to Smith's Ethics line at 1 (877) 571-9753. Supervisors and managers who are informed of an alleged incident of discrimination must immediately notify the Human Resources Department. This notification must be in writing. Management will maintain a written log of all complaints of discrimination. This log will include the results of all investigations into claims of discrimination.

A person either alternatively, or in addition to reporting such an allegation to company officials, may contact the U.S. Equal Employment Opportunity Commission for the purposes of filing a charge of employment discrimination. The address of the U.S. EEOC office is 5410 Fredericksburg Road, Suite 200, San Antonio, Texas 78229. Information about your rights and how to file a charge is available on the Internet at www.eeoc.gov.

PUNISHMENT FOR VIOLATION: Employees engaged in discrimination, including supervisors and managers, can expect serious disciplinary action. After appropriate investigation, any employee, whether management or non-management, who has been found to have discriminated against another employee will be subject to appropriate sanctions, depending on the circumstances, from a written warning in his or her personnel file up to and including termination of employment.

RETALIATION: There shall be no retaliation against any employee because that person has opposed what they believe to be unlawful employment practices, including discrimination; or has filed a charge of discrimination, or has given testimony, assistance, or has participated in any manner in any investigation, proceeding or hearing under Title VII of the Civil Rights Act of 1964. Coil Tubing Services, L.L.C. will not punish you for reporting discrimination simply because you have made a complaint under the above guidelines.

PROTECTION OF PRIVACY: The question of whether a particular action or incident constitutes discrimination requires a determination based on all available facts. Coil Tubing Services, L.L.C. will therefore make a concerted effort to protect the privacy of all personnel. Confidential information will be shared on a need-to-know basis to complete the investigation and to deal appropriately with the situation.

EXCEPTIONS: There are no exceptions to this policy.

THIS IS AN OFFICIAL NOTICE AND MUST NOT BE REMOVED OR DEFACED BY ANYONE. THIS NOTICE WILL BE POSTED FOR A PERIOD OF ONE YEAR.

Signed this _____ day of _____, _____.

Date

Coil Tubing Services, L.L.C.